

ORIGINAL

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

DOCKET FILE COPY ORIGINAL

RECEIVED

OCT - 9 1997

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of )

)

CC Docket No. 97-181

Defining Primary Lines )

**REPLY COMMENTS OF BELL ATLANTIC<sup>1</sup>**

Commenters on the proposed rules for defining primary lines provided overwhelming support to two basic points. First, the Commission should simplify the identification process as much as possible. This means adopting a definition that will allow carriers to use existing records to identify non-primary residence lines rather than relying on expensive and cumbersome self-certification procedures. Second, even the simplest method cannot be implemented as of January 1, 1998. The changes in billing systems and customer education requirements simply cannot be compressed into a truncated process. The Commission should ensure an orderly transition by granting USTA's motion to delay the implementation date.

**I. The Commission Should Use A Simple Definition That Relies On Billing Records**

The vast majority of commenters agreed with Bell Atlantic that self-certification was not a practical method to identify non-primary lines.<sup>2</sup> As GTE demonstrates, using self-certification

<sup>1</sup> The Bell Atlantic telephone companies ("Bell Atlantic") are Bell Atlantic-Delaware, Inc.; Bell Atlantic-Maryland, Inc.; Bell Atlantic-New Jersey, Inc.; Bell Atlantic-Pennsylvania, Inc.; Bell Atlantic-Virginia, Inc.; Bell Atlantic-Washington, D.C., Inc.; Bell Atlantic-West Virginia, Inc.; New York Telephone Company; and New England Telephone and Telegraph Company.

<sup>2</sup> See, e.g., Comments of MCI at 3 (using a definition based on customer's bill "would not be unduly burdensome because it would rely primarily on existing ILEC customer databases."); Comments of BellSouth at 7 (using customer billing name at a single address "can be administered by the ILEC" and would minimize "artificial arbitrage opportunities").

as the primary means to identify non-primary lines simply will not work because 1) it would take too long; 2) it would be "incredibly expensive" and 3) "only a small portion of the residential customer base (less than ten percent) will be likely to respond."<sup>3</sup>

The primary alternatives to self-certification are relying on billing records to identify billing name at a single address, or just grouping together all lines to a single address. Relying on billing name at a single address is the stronger option. As BellSouth points out, treating each billing name independently means that "every subscriber to basic residential telephone service could obtain a primary residential line, an important universal service consideration."<sup>4</sup> The less desirable alternative would be to group together any and all independent purchasers of phone service at a single mailing address as a single unit. For example, a tenant, a relative, or a roommate sharing housing at a single address but ordering his or her own telephone service could be billed as a non-primary line customer even if that person only has single line service. Moreover, any attempt to audit or otherwise verify customer status among numerous individuals at a single address would inevitably require intrusive inquiries into the private living arrangements of individual customers.

U S West argues that including the billing name in the definition will result in a massive restructuring of service. But the data it offers as quantification in support of its arguments are mere speculation.<sup>5</sup> It is far more likely that customers will be deterred by the very real

---

<sup>3</sup> GTE Comments 5-6.

<sup>4</sup> BellSouth Comments at 7.

<sup>5</sup> Despite the quantification, U S West acknowledges that its numbers are a "very rough estimate" based apparently on U S West's beliefs about potential customer reaction to such a price structure. U S West Comments at 5-6.

administrative and financial considerations in rearranging service.<sup>6</sup> U S West also argues that adding billing name as one component of the definition would require "costly verification" to ensure that there is no over reporting of primary lines.<sup>7</sup> But this assumes that carriers should be required to look behind actual billing records. They should not. One of the primary benefits of relying on billing records is that it avoids putting the carriers in the position of inquiring into and policing customer behavior. In fact, using billing name is more readily identifiable, and thus will be less burdensome and less costly to administer.

For business lines, commenters overwhelmingly supported reliance on the existing definition of single- and multi-line businesses.<sup>8</sup> There is already an easily administered distinction between single-line and multi-line businesses, and there is no need to change the current process. Using the existing definition not only simplifies the identification process but would allow this aspect of the new billing differentiation to go into effect by the current January 1 deadline. The revenue differential between single and multi-line business is far more significant than the revenue differential associated with residential lines.

## **II. The Commission Should Delay Implementation of Differentiating Residential Lines**

Prior to the order in this rulemaking, local carriers had no realistic way to begin implementation of second line differentiation. If implemented, the tentative conclusion that self-certification be used to identify lines would make any previous efforts to review billing or location records meaningless. While self-certification is the most costly, any of the proposed

---

<sup>6</sup> For example, putting lines in another name requires separate bills, separate credit checks and, where required, security deposits.

<sup>7</sup> U S West Comments at 4.

<sup>8</sup> *See, e.g.*, Bell Atlantic Comments at 9; U.S. West Comments at 6; Sprint Comments at 3; BellSouth Comments at 3-4.

methods will be very costly to implement. Carriers simply have not had a reasonable basis to begin the identification process. Indeed, with such uncertainty, it would have been wasteful to begin efforts on one or more identification methodologies that may not be allowable under the Commission's yet to be determined rules.

Even with immediate guidance, it is simply too late to implement a differentiation by January 1. This fact was endorsed by the vast majority of commenters, both local carriers<sup>9</sup> and interexchange carriers.<sup>10</sup> The Commission invites regulatory chaos if it fails to recognize this administrative reality.

### **III. Customer Records Should Not Be Made Available To Other Carriers**

By relying on existing customer records, the Commission also allows the privacy interests of customers to be protected. No new data need be collected and the existing protections for customer information would continue to apply. While MCI acknowledges that such information is subject to CPNI rules,<sup>11</sup> it seeks disclosure as part of the billing process for the presubscribed interexchange carrier charge ("PICC").<sup>12</sup> Cox goes even further and argues that disclosure of primary and non-primary line designations "raises relatively few privacy and competitive concerns" and therefore should be generally disseminated.<sup>13</sup>

---

<sup>9</sup> *See, e.g.*, BellSouth Comments at 2 ("it would take at least six months from the release of a Commission Order promulgating the primary line definition to complete all of the necessary implementation steps.").

<sup>10</sup> *See* Sprint Comments at 2 ("Sprint believes it is highly doubtful that the LEC industry can implement any definition of primary/non-primary residential lines by January 1 and believes some delay is inevitable."); MCI Comments at 10 ("January 1, 1998 deadline for implementation will be extremely difficult to achieve.").

<sup>11</sup> MCI Comments at 7.

<sup>12</sup> *Id.* at 10.

<sup>13</sup> Comments of Cox Communications, Inc.

The Commission should reject these backdoor efforts by competitors seeking private customer information. A differentiation between primary and non-primary lines should not serve as an excuse to change the existing CPNI rules. Long distance carriers should be informed whether individual PICC charges are designated as primary or non-primary. If the Commission adopts a simplified identification system, there is no need to provide further customer-specific data. It would be appropriate, as part of the annual filing process for interstate tariffs of local carriers, to report aggregate primary and non-primary line counts. That data can be used to verify that local carriers are not overbilling non-primary line PICCs.<sup>14</sup>

There is no need for the further reporting and auditing requirements proposed by MCI.<sup>15</sup> In a period when the Commission and Congress are seeking ways to reduce reporting requirements on local carriers, there is no need to impose new quarterly reporting requirements. Access rates are adjusted annually, and the reporting of non-primary lines can readily be incorporated into that filing.

There is also no need for further enforcement authority. Even MCI concedes that existing provisions provide adequate protection.<sup>16</sup>

In addition, no party offered a justification for audits that go beyond an audit of the procedures used to differentiate primary from non-primary lines. In particular, MCI conceded "inaccuracies" in the current Hatfield model. As a result, there should be agreement that reliance

---

<sup>14</sup> Because an increase in PICC revenues reduces the spill-over per-minute rate, a local carrier cannot profit by inflating non-primary PICC revenues. In contrast, the relative level of interstate usage on a 700, 800, or 900 line will directly impact the total bill, yet local carriers rely on interexchange carriers to report their own usage level without burdensome reporting or auditing requirements.

<sup>15</sup> MCI Comments at 15-16.

<sup>16</sup> *Id.*

on that model be rejected. Moreover, new iterations of the model will continue to estimate line counts using theoretical demographic relationships. There is therefore simply no justification for using such rough *projections* as a "check" on *actual* billing record data.

#### **IV. Local Carriers Should Communicate Their Own Information To Their Customers**

Finally, none of the commenters offered a policy justification for the Commission to interpose itself and dictate communications between local carriers and their customers. No party offered a single instance of carriers abusing the right of carriers to communicate with their customers concerning changes in rates. Worse still is MCI's argument that a formal FCC mandated statement be communicated orally.<sup>17</sup> While it may be in MCI's competitive interest to add a formalistic recitation as part of the already cumbersome process of ordering new service, it certainly does not serve the *public* interest. Carriers have an interest in making communications with their customers clear, concise and correct. Reading formal speeches does not advance this goal and may actually serve to hinder customer understanding.

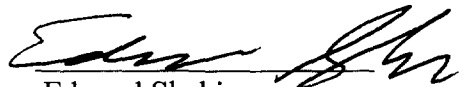
---

<sup>17</sup> MCI Comments at 17.

**Conclusion**

The Commission should adopt primary/non-primary line rules consistent with Bell Atlantic's comments. The Commission should delay implementation of those rules, however, to allow a reasonable period to implement the change.

Respectfully submitted,

  
Edward Shakin

Edward D. Young, III  
Michael E. Glover  
Betsy L. Roe  
Of Counsel

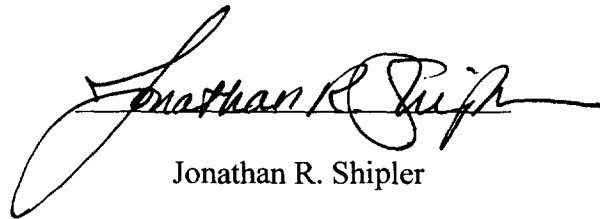
1320 North Court House Road  
Eighth Floor  
Arlington, VA 22201  
(703) 974-4864

Attorney for the  
Bell Atlantic Telephone Companies

October 9, 1997

CERTIFICATE OF SERVICE

I hereby certify that on this 9<sup>th</sup> day of October, 1997, a copy of the foregoing "Reply Comments of Bell Atlantic" was served by first class U.S. mail, postage prepaid, on the parties listed on the attached service list.

A handwritten signature in cursive script, reading "Jonathan R. Shipler", written over a horizontal line.

Jonathan R. Shipler

\* BY HAND



Sheryl Todd \*  
Accounting & Audits Division  
Universal Service Branch  
Federal Communications Commission  
2100 M Street, N.W.  
Room 8611  
Washington, DC 20554  
**(3 Copies)**

ITS, Inc.\*  
1919 M Street, NW  
Room 246  
Washington, DC 20554